

## Message Text

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ACTION DLOS-09

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DOTE-00 EB-08 EPA-01 SOE-02 DOE-15 FMC-01 TRSE-00  
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TO SECSTATE WASHDC 8428  
INFO AMEMBASSY LIMA

CONFIDENTIAL BRASILIA 5861

LIMA FOR AMBASSADOR RICHARDSON

EO 11652: N/A  
TAGS: PLOS, BR  
SUBJ: LOS - AMBASSADOR RICHARDSON'S CONVERSATIONS IN BRASILIA  
JUL 18.

1. AMBASSADOR RICHARDSON DISCUSSED LAW OF THE SEA ISSUES WITH BRAZILIAN OFFICIALS ON JUL 18. IN THE MORNING HE CALLED ON DR. L. L. MANGEON ASSISTANT TO THE MINISTER OF MINES AND ENERGY (THE MINISTER WAS OUT OF THE COUNTRY), AND MINISTER-CHIEF OF THE PLANNING SECRETARIAT, REIS VELLOSO. IN THE AFTERNOON RICHARDSON MET FOREIGN MINISTER SILVEIRA.

2. THE DISCUSSIONS GAVE RICHARDSON A USEFUL OPPORTUNITY TO SPELL OUT US CONCERNs ABOUT CERTAIN OUTSTANDING ISSUES ESPECIALLY TECHNOLOGY TRANSFER, A SEABEDS REVIEW CONFERENCE, AND MARINE SCIENTIFIC RESEARCH, ON WHICH THE US AND BRAZIL HOLD DIFFERENT POSITIONS. AS NOTED IN BRASILIA'S 5475 NO BRAZILIAN LOS EXPERTS WERE ON HAND, SO ONLY TECHNOLOGY TRANSFER GOT A FULL AIRING, BUT ON THE LEVEL OF GENERAL PRINCIPLES. SILVEIRA CONFIDENTIAL

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OFFERED TO WITHDRAW THE SO-CALLED BRAZIL CLAUSE BUT STRONGLY INSISTED THAT BRAZIL SHOULD SOMEHOW BE ASSURED OF TECHNOLOGY OF SHE WENT INTO SEABED MINING (SEE BRASILIA 5790, PGH (5)).

3. THE CONVERSATIONS WITH MANGEON AND REIS VELLOSO ARE REPORTED IN THIS TELEGRAM. A SEPARATE CABLE HAS REPORTED THE CONVERSATION WITH SILVEIRA.

4. MANGEON. RICHARDSON OPENED BY NOTING THAT ASIDE FROM SEABEDS THE US AND BRAZIL HAD SIGNIFICANT DIFFERENCES ONLY ABOUT MARINE

SCIENTIFIC RESEARCH. AFTER SPELLING OUT THE US POSITION ON MSR, RICHARDSON SAID HE WOULD SEND THE BRAZILIANS OUR SUGGESTED AMENDMENTS TO THE MSR PARTS OF THE ICNT. ALTHOUGH AMBASSADOR CABERO HAD BEEN RELUCTANT TO ENTERTAIN THE IDEA OF ANY AMENDMENTS, RICHARDSON HOPED THE GOB WOULD STUDY THEM CAREFULLY. THEY DO NOT AIM AT CHANGING THE BASIC REQUIREMENT OF COASTAL STATE CONSENT BUT THEY DO CLARIFY THE TEXT AND BY SO DOING REDUCE THE CHANCES OF DISPUTES ARISING BETWEEN THE RESEARCHING STATE AND THE COASTAL STATE. THE TEXT WOULD THEREFORE BE MORE WORKABLE AND BE MORE SATISFACTORY TO THE US SCIENTIFIC COMMUNITY. MANGEON MADE NO SIGNIFICANT COMMENT BEYOND REITERATING THE RIGID GOB POSITION ON MSR AND SUGGESTING THAT THE ISSUE BE TAKEN UP WITH THE FOREING MINISTRY. RICHARDSON SAID HE WOULD. (COMMENT: TIME DID NOT PERMIT RICHARDSON TO DO SO AT THE MEETING WITH SILVEIRA, BUT HE HAS WRITTEN THE MINISTER MAKING THE POINTS INDICATED ABOVE.)

5. ON SEABEDS, RICHARDSON ELABORATED US CONCERNs ABOUT THE NJENGA TEXTS ON THE REVIEW CONFERENCE AND TRANSFER OF TECHNOLOGY. MANGEON DID NOT RESPOND DIRECTLY TO RICHARDSON ABOUT THE REVIEW CLAUSEN SAYING SIMPLY THAT MUCH DEPENDS ON THE COMPOSITION AND POWERS OF THE COUNCIL OF THE AUTHORITY.

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6. MANGEON INDICATED THAT BRAZIL'S MAIN INTERESTS IN RESPECT OF SEABEDS WERE TRANSFER OF TECHNOLOGY, PRODUCTION CONTROLS AND THE POSSIBILITY FOR INDIVIDUAL LDC'S TO ENTER INTO JOINT VENTURES. BRAZIL, HE SAID, IS CONCERNED ABOUT WHAT HAPPENS TO THE WORLD MARKET FOR NICKEL, NOTING THAT BRAZIL HAS LARGE NICKEL RESERVES, NOW ESTIMATED TO BE ON THE ORDER OF 170 MILLION TONS (PROVED) OF LATERITE ORE OF HIGH QUALITY. POTENTIAL RESERVE S COULD BE AS HIGH AS 650 MILLION TONS. BRAZIL ALSO HAS BIG RESERVES OF MANGANESE, SUFFICIENT FOR 20 YEARS AT CURRENT RATES OF EXTRATCCTION. PRODUCTION CONTROLS WERE THEREFORE IMPORTANT TO BRAZIL, ALTHOUGH NOT AS IMPORTANT AS THEY ARE TO A NUMBER OF LAND BASED PRODUCERS IN AFRICA. IN REPLY TO RICHARDSON'S QUESTION, MANGEON SAID BRAZIL'SPARTICIPATION IN SEABED MINING WAS "FUTUREOLOGY" BUT IMPLIED THAT, IF CONVENTION PROVIDED FOR JOINT VENTURES, THE POSSIBILITY OF DEVELOPING COUNTRIES GAINING ACCESS TO SEABED MINING TECHNOLOGY AND IF THE ECONOMICS OF SEABED MINING WERE RIGHT, BRAZIL MIGHT ENTER THE FIELD. CINTINUING, MANGEON SURMISED THAT IF SEABED MINING PRODUCTION BECAME SIGNIFICANT, IT WOULD BE NECESSARY TO ENTER INTO A NUMBER OF COMMODITY AGREEMENTS. RICHARDSON SAID WE WANT TO STABILIZE THE MARKET ON A COMPREHENSIVE BASIS, NO ON THE THE BASIS OF A SINGLE SOURCE. IN THIS CONNECTION HE NOTED THE CRITICISM IN THE US AND BY THE EUROPEAN COMMUNITY AND JAPAN OF THE US- CANADIAN PROPOSAL ON PRODUCTION CONTROLS, ESPECIALLY THE SPLIT BETWEEN SEABED AND LAND BASED PRODUCTION.

7. RICHARDSON REVIEWED IN DETAIL US OBJECTIONS TO THE SO-CALLED BRAZIL CLAUSE ON TRANSFER OF TECHNOLOGY TO DEVELOPING COUNTRIES, STRESSING THAT WE WILL HAVE TO RETURN TO THE QUESTION. HE COULD NOT SEE WHAT PRACTICAL VALUE IT COULD HAVE FOR BRAZIL, UNLESS SHE INTENDED TO GO IT ALONE IN SEABED MINING SHE WOULD NOT DO SO ALONE. HE AGREED WITH RICHARDSON THAT JOINT VENTURES WOULD BE THE MORELIKELY METHOD AND THAT THOUGH SUCH JOINT VENTURES TECHNOLOGY WOULD BECOME AVAILABLE.

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8. REIS VELLOSO. RICHARDSON GAVE A GENERAL VIEW OF THE STATE OF THE CONFERENCE. IN VIEW OF DOMESTIC CRITICISM OF THE SEABEDS TEXTS PRODUCED AT GENEVA HE HAD VERY LITTLE NEGOTIATING ROOM; IN FACT, WE MUST RECOVER THE GROUND LOST. HE WAS SURE THE US COULD WORK WITH THE BRAZILIAN DELEGATION WHICH HAD TAKEN A GENERALLY MODERATE AND REASONABLE POSITION TO MODIFY THE GENEVA AND ICNT TEXTS. RICHARDSON THEN ADDRESSED THE US OBJECTION TO THE REVIEW CLAUSE AND TECHNOLOGY TRANSFER CLAUSE OF THE NJENGA TEXTS. HE EMPHASIZED THAT THE BRAZIL CLAUSE PROVISION WAS UNNECESSARY FOR AN ADVANCE DEVELOPED COUNTRY LIKE BRAZIL, SINCE IT WAS A FAIR ASSUMPTION THAT BRAZIL WOULD ONLY ENGAGE IN SEABED MINING THROUGH JOINT VENTURES--PARTICIPATION IN WHICH WOULD ENSURE TRANSFER OF THE NECESSARY TECHNOLOGY. GIVE THE PROBLEMS THEUS HAS GENERALLY WITH THE GENEVA TEXTS ON TECHNOLOGY TRANSFER. HHPTE BRAZIL WOULD RECONSIDER ITS POSITION.

REIS VELLOSO SIMPLY COMMENTED THAT THE TOOK RICHARDSON'S POINT AND THAT THE MATTER SHOULD BE TAKEN UP WITH THE FOREIGN MINISTER. HE THEN ASKED RICHARDSON ABOUT THE PROSPECTS OF THE CONFERENCE. RICHARDSON THOUGHT THE RESUMED SESSION COULD MAKE PROGRESS. IF THE SOVIETS WERE REASONABLE, WE SHOULD WRAP UP THE INTER-CONNECTED ISSUES WHICH FELL UNDER THE MANDATE OF NEGOTIATING GROUPS 4,5, AND 6 AT GENEVA, WE COULD ALSO MAKE HEADWAY IN THE NEGOTIATING GROUPS ON FINANCIAL ARRANGEMENTS AND THE SYSTEM OF EXPLORATION AND EXPLOITATION. IF THIS HAPPENED, ONE FURTHER FULL NEGOTIATING SESSION WOULD BE NEEDED IN 1979 AND PERHAPS A SUBSEQUENT ONE. UNDER THE MOST OPTIMISTIC SCENARIO THE SIGNING OF A CONVENTION COULD OCCUR IN 1980 IN CARACAS. PREDICTIONS WERE DIFFICULT TO MAKE, FOR THE LIST OF CHANGES REQUIRED IN THE CURRENT TEXT IS LONG; AND THERE WAS SERIOUS QUESTION IF THE G-77 WOULD FEEL IT COULD MAKE THE KINDS OF CONCESSIONS NECESSARY TO GET A TREATY WHICH THE EXECUTIVE BRANCH COULD SELL TO THE SENATE. THE CONVERSATION ENDED WITH

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REIS VELLOSO SAYING HE WOULD BRIEF THE FOREIGN MINISTER OF THE MATTERS RICHARDSON HAD RAISED.

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## Message Attributes

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